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C O N F I D E N T I A L SECTION 01 OF 02 ROME 005337

E.O. 12958: DECL: 10/30/2012

TAGS: ECON ENRG IT LY ENRG IT LY PREL UN SUBJECT: ITALY-LIBYA: PM BERLUSCONI'S OCT. 28 VISIT TO

TRIPOLI

REF: A. FBIS RESTON 282336ZOCT02

1B. STATE 211463 1C. ROME 5185

CLASSIFIED BY: POL MC THOMAS COUNTRYMAN, FOR REASONS 1/5 (B) AND (D)

- (C) SUMMARY: ITALIAN MFA SAYS THAT PM BERLUSCONI CONVEYED TO QADHAFI, AT OUR REQUEST, A STRONG MESSAGE ON THE NEED FOR LIBYA TO COMPLY FULLY WITH THE SECURITY COUNCIL RESOLUTIONS REGARDING LOCKERBIE. THE TWO SIDES FAILED TO REACH AGREEMENT ON A "COMPENSATION" PACKAGE THAT WOULD MAKE LIBYA DROP ITS COMPLAINTS ABOUT COLONIAL ITALIAN "CRIMES" AGAINST LIBYA. THE ATMOSPHERE WAS VERY POSITIVE, THOUGH FEW SPECIFIC AGREEMENTS WERE REACHED IN THE MANY AREAS OF COOPERATION DISCUSSED. THE ITALIAN DELECATION FOUND COMPLAIN AND DISCUSSED. THE ITALIAN DELEGATION FOUND QADHAFI CALM AND MODERATE IN HIS DISCUSSION OF IRAQ AND THE ISRAELI-PALESTINIAN ISSUE. END SUMMARY
- (U) PRIME MINISTER BERLUSCONI'S OCTOBER 28 ONE-DAY VISIT TO LIBYA WAS ONLY THE THIRD BY AN ITALIAN PRIME MINISTER SINCE QADHAFI CAME TO POWER. UNLIKE PM D'ALEMA IN 1999, WHO WAS FORCED TO TOUR THE NATIONAL MUSEUM FOR THREE HOURS UNTIL QADHAFI WAS READY TO RECEIVE HIM, BERLUSCONI HAD A SMOOTH VISIT, INCLUDING TWO MEETINGS WITH QADHAFI AT BAB AL AZIZIA BARRACKS, AND A WORKING LUNCH WITH PRIME MINISTER MUBARAK SHAMAKH. REF A CONTAINS THE TEXT OF THE JOINT COMMUNIQUE RELEASED BY THE TWO SIDES.

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- PAGE 03 ROME 05337 01 OF 02 310953Z 13. (C) THE MFA'S NORTH AFRICA OFFICE DIRECTOR, ANTONIO BELLAVIA (WHO WENT ON THE TRIP BUT WAS NOT IN THE TWO MEETINGS WITH QADHAFI) BRIEFED POL MINCOUNS ON OCTOBER 30. BELLAVIA SAID THAT BERLUSCONI HAD PRESSED THE LIBYAN LEADER ON THE NEED TO COMPLY FULLY WITH THE UN RESOLUTIONS, AS REQUESTED REF B. BERLUSCONI HAD TRIED TO SPIN THIS POSITIVELY WITH QADHAFI, EMPHASIZING THE POSITIVE RETURN TO TRIPOLI FROM BEING ABLE TO NORMALIZE ITS RELATIONS NOT ONLY WITH EUROPE, BUT WITH THE US. ACCORDING TO BELLAVIA, THE LIBYAN LEADER WAS RECEPTIVE TO THE MESSAGE AND EMPHASIZED HIS READINESS TO MEET ALL OF LIBYA'S OBLIGATIONS AND PUT LOCKERBIE BEHIND THEM. THE ITALIAN DELEGATION GOT THE IMPRESSION THAT THE ISSUE OF COMPENSATION WAS FAR LESS DIFFICULT FOR THE GOL THAN THE ACKNOWLEDGMENT OF RESPONSIBILITY. FINDING THE RIGHT FORMULATION, BELLAVIA COMMENTED, WOULD REQUIRE REAL ART, BUT THIS WAS NOT DISCUSSED WITH THE LIBYANS. POL MC ASKED ABOUT THE ITALIAN PRESS REPORTS THAT BERLUSCONI HAD OFFERED HIS GOOD OFFICES WITH THE USG. BELLAVIA SAID THIS WAS A PRESS INVENTION.
- 14. (C) AS NOTED REF C, THE GOI HAD HOPED THAT DURING THIS VISIT IT COULD FINALLY CLOSE LIBYA'S LONG-STANDING DEMAND FOR "COMPENSATION" FOR COLONIAL-ERA WRONGS BY ANNOUNCING THE FUNDING OF AN ORTHOPEDIC TREATMENT AND RESEARCH HOSPITAL IN BENGHAZI. HOWEVER, THE LIBYAN SIDE RESURRECTED ITS PREFERENCE FOR A MORE EXPENSIVE PROJECT, A 60-MILLION EURO NORTH-SOUTH HIGHWAY. THE TWO SIDES AGREED TO CONTINUE TO STUDY BOTH PROJECTS. BELLAVIA SAID THE ITALIANS WILL PROBABLY KEEP THEIR PREFERENCE FOR THE HOSPITAL AS LESS EXPENSIVE AND MORE USEFUL.

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ROME 05337 01 OF 02 310953Z 15. (C) BERLUSCONI ASKED QADHAFI ABOUT HIS INTENTION TO WITHDRAW FROM THE ARAB LEAGUE. QADHAFI RESPONDED WITH A LITANY OF THE LEAGUE'S FAILURES TO ADDRESS THE REAL PROBLEMS OF THE REGION, FROM PALESTINE TO IRAQ. THE ITALIAN DELEGATION FOUND QADHAFI'S RHETORIC TO BE CALMER THAN IN THE PAST. FOR EXAMPLE, WHILE CRITICAL OF THE US INTENTION TO USE FORCE AGAINST IRAQ, HE MADE NO APOLOGIES FOR SADDAM AND INSISTED THAT BAGHDAD HAD NO CHOICE BUT TO COMPLY FULLY WITH THE DISARMAMENT RESOLUTIONS. QADHAFI WAS ALSO CRITICAL OF THE BARCELONA PROCESS, SAYING THAT THIS DIALOGUE BETWEEN THE EU AND NORTH AFRICAN STATES DISTRACTED FROM WHAT HE CONSIDERED A MORE IMPORTANT DIALOGUE, THAT BETWEEN THE EU AND THE OAU. STILL, HE AGREED THAT THE "5 ON 5" DIALOGUE COULD BE USEFUL FOR BUILDING COOPERATION AGAINST TERRORISM, ORGANIZED CRIME, AND ILLEGAL IMMIGRATION. BELLAVIA SAID THAT THESE LAST ISSUES WERE DISCUSSED IN GENERAL TERMS, BUT NO SPECIFIC AGREEMENT WAS REACHED. (NOTE: SOME MEMBERS OF PARLIAMENT HAD PUBLICLY URGED BERLUSCONI BEFORE HIS TRIP TO PRESS LIBYA TO PROMISE TO ACT AGAINST ALIEN SMUGGLERS OPERATING FROM LIBYAN PORTS, WHO HAVE BECOME A MUCH GREATER PROBLEM FOR TTALY THAN THOSE OPERATING FROM THE ALBANIAN SHORE.)

16. (C) BELLAVIA SAID THE OVERALL ATMOSPHERE WAS VERY WARM BETWEEN THE TWO LEADERS. BERLUSCONI WENT OUT OF HIS WAY WITH THE PRESS TO PRAISE QADHAFI'S EXPERIENCE AND THE POTENTIAL FOR IMPROVED ECONOMIC AND POLITICAL COOPERATION. THE TWO

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AGRE-00 AID-00 NP-00 LOG-00 AMAD-00 CEA-01 CIAE-00 COME-00 CTME-00 DINT-00 DODE-00 DOEE-00 DOTE-00 SRPP-00 DS-00 EB-00 EAP-00 EXIM-01 E - 00FAAE-00 FBIE-00 VC-00 FRB-00 H - 01TEDE-00 INR-00 IO-00 ITC-01 VCE-00 NSAE-00 LAB-01 L-00AC-01 NEA-00 NSCE-00 OIC-02 OPIC-01 OES-01 OMB-01PA-00 DM = 0.0PRS-00 P - 0.0SCT-00 SP-00 ACE-00 SSO-00 SS-00 STR-00 USIE-00 EPAE-00 PMB-00 TRSE-00 T-00 DSCC-00 PRM-00 -00 SAS-00 /013W -----013970 310953Z /38 NFAT-00 SAS-00 DRL-02 G-00

O 310848Z OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC IMMEDIATE 6689 INFO AMEMBASSY ALGIERS AMEMBASSY CAIRO AMEMBASSY LONDON AMEMBASSY TUNIS AMCONSUL FLORENCE AMCONSUL MILAN AMCONSUL NAPLES USMISSION USUN NEW YORK

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STRRTS

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SIDES AGREED TO STUDY THE POSSIBILITY OF SIGNING A "FRIENDSHIP TREATY". BELLAVIA SAID THIS IS STILL JUST A STUDY; NEITHER SIDE HAD PROPOSED A TEXT OR EVEN ELEMENTS OF A TREATY. DESPITE THE POSITIVE SPIN, PRESS REPORTS SPECULATE THAT THE ITALIAN SIDE WAS DEEPLY DISAPPOINTED BY THE FAILURE TO REACH AGREEMENT ON THE "COMPENSATION" PACKAGE.

- 17. (U) PRESS ACCOUNTS ADD A FEW FACTOIDS TO THOSE PROVIDED BY THE MFA:
- -- NICE PRESENTS: BERLUSCONI PROMISED TO RETURN TO LIBYA IN THE IMMEDIATE FUTURE AN ANCIENT ROMAN STATUE, THE "VENUS OF CYRENE" TAKEN BY ITALIAN FASCIST TROOPS. QADHAFI GAVE HIM AN
- TTALIAN MUSKET CAPTURED BY THE LIBYANS IN 1924.
 -- NO SPECIFIC AGREEMENTS, BUT MUCH DISCUSSION OF LIBYA
 UNBLOCKING CREDITS WORTH APPROXIMATELY 877 MILLION EUROS FOR ITALIAN COMPANIES DOING BUSINESS IN LIBYA, AND ADDITIONAL ITALIAN TECHNICAL HELP IN DEMINING IN LIBYA.
- BERLUSCONI REPORTEDLY STATED THAT ITALY DEPENDS ON LIBYA FOR SOME 25 PERCENT OF ITS ENERGY NEEDS, AND ADDED THAT THIS WOULD INCREASE TO AROUND 30 PERCENT ONCE A LIBYA-ITALY GAS PIPELINE COMES INTO OPERATION IN 2004.
- -- QADHAFI REPORTEDLY PROMISED TO GRANT VISAS TO THOSE ITALIANS WHO HE HAD EXPELLED IN 1970. (COMMENT: THESE PARTICULAR ITALIAN CITIZENS ARE FEELING THE IRONY OF THE DIFFICULTY THEY NOW HAVE IN GETTING US VISAS BECAUSE OF THEIR BIRTH IN LIBYA. WE RECENTLY MET WITH ONE JEWISH-ITALIAN BORN IN LIBYA WHO WAS RECENTLY ALLOWED TO VISIT TRIPOLI AND A GREAT-AUNT WHO HE THOUGHT WAS VIRTUALLY THE LAST JEWISH PERSON RESIDING IN LIBYA).

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18. (U) EMBASSY EXPECTS TO GET A MORE DIRECT READOUT OF THE BILATERAL MEETING FROM HIGHER-RANKING PARTICIPANTS IN THE MFA AND PM'S OFFICE, AND WILL REPORT. SKODON

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